

in respect of each contribution by a sum equal to two and one-eighth per centum of the aggregate amount of new securities redeemable up to and including the maturity date immediately preceding that on which such contribution is payable, and reduced by the aggregate of the sums which during the six months preceding the date of payment of such contribution have, pursuant to the provisions of the next succeeding clause, been paid to any sinking fund for unconverted securities.

(3) The provisions of sections one hundred and fifteen to one hundred and nineteen of the Harbours Act, 1923, shall apply with respect to such sinking fund.

SINKING FUND FOR UNCONVERTED SECURITIES.

20. (1) If dissent is signified in accordance with the provisions of this Order from the conversion of any existing securities issued in respect of the loan in the First Schedule hereto, the local authority, in order to provide funds for the repayment of the unconverted securities issued in respect of such loan, shall forthwith make provision for the creation, pursuant to a resolution of the local authority, of a sinking fund, of which the persons who at the date of conversion were Sinking Fund Commissioners in respect of such loan shall be the first Commissioners.

(2) For such purpose the local authority shall permanently appropriate a sum which bears the same proportion to the annual contribution payable, before the date of conversion, to the existing sinking fund of such loan as the aggregate amount of principal secured by such unconverted securities bears to the aggregate amount of principal secured by all the existing securities in respect of which such existing sinking fund is held, and shall pay such sum to the Commissioners yearly and every year until the maturity date of such unconverted securities, or until the Commissioners are satisfied that the accumulations of sinking fund will suffice to redeem such securities at maturity.

(3) The first of such yearly payments shall be made not later than one year after the date on which the last annual contribution payable before the date of conversion to the existing sinking fund of such loan was payable.

(4) Subject to the provisions of this Order, the provisions of sections one hundred and fifteen to one hundred and nineteen of the Harbours Act, 1923, shall, so far as applicable and with all necessary modifications, apply with respect to such sinking fund:

Provided that nothing in the said sections or in this Order shall authorize the removal or suspension of the Public Trustee as Commissioner of any sinking fund.

APPLICATION OF EXISTING SINKING FUND.

21. (1) The existing sinking fund of the loan referred to in the First Schedule hereto shall be applied by the Public Trustee as Commissioner thereof in accordance with the following provisions of this clause.

(2) All debentures issued in respect of the loan referred to in the First Schedule hereto and held by such Commissioner as an investment of the sinking fund, shall be transferred to the local authority to be cancelled. Such cancellation shall be effected by the local authority in the presence of the Commissioner or a person appointed by him for the purpose, and under the supervision of an officer appointed by the Audit Office to exercise such supervision at the expense of the local authority. On the cancellation of such debentures the liability of the local authority and of the Commissioner in respect of the debentures and of the moneys secured thereby shall forthwith cease.

(3) So much of such existing sinking fund as is not represented by the debentures referred to in the last preceding subclause shall, so far as it will extend, be applied in or towards making the following payments, in the following order of priority, namely:—

- (a) First, in transferring to the Commissioner of the sinking fund hereinbefore required to be created for the unconverted securities issued in respect of such loan a sum which bears the same proportion to the amount of such existing sinking fund at the date of conversion as the aggregate amount of principal secured by such unconverted securities bears to the aggregate amount of principal secured by all the existing securities in respect of which such sinking fund is held; and
- (b) Secondly, in transferring the balance to the Commissioner of the sinking fund hereinbefore required to be created for the new securities, to be held as part of that sinking fund.

BROKERAGE.

22. The local authority shall not, in respect of the conversion into new securities of any existing securities to which this Order applies, enter into any contract for the payment of brokerage at a rate exceeding one-quarter per centum of the amount of such existing securities.

REVOCATION OF TIMARU HARBOUR BOARD LOANS CONVERSION ORDER, 1934.

23. The provisions of the Timaru Harbour Board Loans Conversion Order, 1934, made on the fourteenth day of April, one thousand nine hundred and thirty-four, and published in the *Gazette* of the eighteenth day of April, one thousand nine hundred and thirty-four, are hereby revoked.

FIRST SCHEDULE. LOAN TO BE CONVERTED.

Name.	Amount.	Rate of Interest.		Date of Maturity.
		Original.	Existing.	
Timaru Harbour Works Redemption Loan, 1930	£ 74,250	Per Cent. 5 $\frac{1}{4}$	Per Cent. 4 $\frac{1}{4}$	1st January, 1950.

SECOND SCHEDULE.

FORMS.

(1) Notice.

[Name of local authority.]

CONVERSION under the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, and the Loans Conversion Order, 19 , of debentures or other securities issued in respect of the following loan [Particulars of loan].